

House File 729 - Enrolled

PAG LIN

HOUSE FILE 729

AN ACT

RELATING TO THE IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND
THE JUDICIAL RETIREMENT SYSTEM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)

Section 1. Section 97B.1A, Code Supplement 2005, is
amended by adding the following new subsection:

NEW SUBSECTION. 11A. "Fully funded" means a funded ratio
of at least one hundred percent using the most recent
actuarial valuation. For purposes of this subsection, "funded
ratio" means the ratio produced by dividing the lesser of the
actuarial value of the system's assets or the market value of
the system's assets, by the system's actuarial liabilities,
using the actuarial method adopted by the investment board
pursuant to section 97B.8A, subsection 3.

Sec. 2. Section 97B.1A, subsection 24, paragraph a, Code
Supplement 2005, is amended to read as follows:

a. "Three-year average covered wage" means, ~~for a member~~
~~who retires prior to July 1, 2008,~~ a member's covered wages
averaged for the highest three years of the member's service,
except as otherwise provided in this subsection. The highest
three years of a member's covered wages shall be determined
using calendar years. However, if a member's final quarter of
a year of employment does not occur at the end of a calendar
year, the system may determine the wages for the third year by
computing the average quarter of all quarters from the
member's highest calendar year of covered wages not being used
in the selection of the two highest years and using the
computed average quarter for each quarter in the third year in
which no wages have been reported in combination with the
final quarter or quarters of the member's service to create a
full year. However, the system shall not use the member's
final quarter of wages if using that quarter would reduce the
member's three-year average covered wage. If the three-year
average covered wage of a member exceeds the highest maximum
covered wages in effect for a calendar year during the
member's period of service, the three-year average covered
wage of the member shall be reduced to the highest maximum
covered wages in effect during the member's period of service.
Notwithstanding any other provision of this paragraph to the
contrary, a member's wages for the third year as computed by
this paragraph shall not exceed, by more than three percent,
the member's highest actual calendar year of covered wages for
a member whose first month of entitlement is January 1999 or
later.

Sec. 3. Section 97B.1A, subsection 24, paragraph c, Code
Supplement 2005, is amended by striking the paragraph and
inserting in lieu thereof the following:

c. Notwithstanding any other provisions of this subsection
to the contrary, for a member who retires on or after July 1,
2007, the member's three-year average covered wage shall be
the lesser of the three-year average covered wage as
calculated pursuant to paragraph "a" and the adjusted covered
wage amount. For purposes of this paragraph, the adjusted
covered wage amount shall be the greater of the member's
three-year average covered wage calculated pursuant to
paragraph "a" as of July 1, 2007, and an amount equal to one
hundred twenty-one percent of the member's applicable calendar
year wages. The member's applicable calendar year wages shall
be the member's highest full calendar year of covered wages
not used in the calculation of the member's three-year average
covered wage pursuant to paragraph "a", or, if the member does
not have another full calendar year of covered wages that was
not used in the calculation of the three-year average covered
wage under paragraph "a", the lowest full calendar year of
covered wages that was used in the calculation of the member's
three-year average covered wage pursuant to paragraph "a".

Sec. 4. Section 97B.11, Code 2005, is amended to read as

3 4 follows:

3 5 97B.11 CONTRIBUTIONS BY EMPLOYER AND EMPLOYEE.

3 6 1. Each employer shall deduct from the wages of each
3 7 member of the retirement system a contribution in the amount
3 8 of ~~three and seven-tenths percent~~ the applicable employee
3 9 percentage of the covered wages paid by the employer, until
3 10 the member's termination from employment. The contributions
3 11 of the employer shall be in the amount of ~~five and seventy-~~
3 12 ~~five hundredths percent~~ the applicable employer percentage of
3 13 the covered wages of the member.

3 14 2. For purposes of this section, unless the context
3 15 otherwise requires:

3 16 a. "Applicable employee percentage" means the percentage
3 17 rate equal to ~~three and seven-tenths percent~~ plus forty
3 18 percent of the total additional percentage.

3 19 b. "Applicable employer percentage" means the percentage
3 20 rate equal to ~~five and seventy-five hundredths percent~~ plus
3 21 sixty percent of the total additional percentage.

3 22 c. "Total additional percentage" means as follows:

3 23 (1) For the fiscal period beginning July 1, 2007, through
3 24 June 30, 2011, the total additional percentage for a fiscal
3 25 year shall be the total additional percentage for the prior
3 26 fiscal year plus, only if the total comparison percentage is
3 27 greater than the total of the applicable employee percentage
3 28 and the applicable employer percentage for the prior fiscal
3 29 year, one-half percentage point.

3 30 (2) For each fiscal year beginning on or after July 1,
3 31 2011, the total additional percentage shall be the total
3 32 additional percentage for the prior fiscal year.

3 33 d. "Total comparison percentage" means the percentage rate
3 34 that the system determines, based upon the most recent
3 35 actuarial valuation of the retirement system, would be
4 1 sufficient to amortize the unfunded actuarial liability of the
4 2 retirement system in ten years.

4 3 Sec. 5. Section 97B.48A, subsection 1, Code 2005, is
4 4 amended by adding the following new unnumbered paragraph:
4 5 NEW UNNUMBERED PARAGRAPH. For purposes of this subsection
4 6 and not for purposes of determining a retiree's covered wages,
4 7 remuneration paid on and after July 1, 2007, includes
4 8 uncovered contributions to a defined contribution plan
4 9 qualified under Internal Revenue Code section 401(a), a tax=
4 10 deferred annuity qualified under Internal Revenue Code section
4 11 403(b), an eligible deferred compensation plan qualified under
4 12 Internal Revenue Code section 457, or any other tax qualified
4 13 or nonqualified investment vehicle, that is provided by an
4 14 employer to a retiree who has been or will be reemployed in
4 15 covered employment.

4 16 Sec. 6. Section 97B.49C, subsection 3, paragraph a, Code
4 17 Supplement 2005, is amended to read as follows:

4 18 a. Annually, the system shall actuarially determine the
4 19 cost of the benefits provided for members covered under this
4 20 section as a percentage of the covered wages of the employees
4 21 covered by this section. ~~Fifty~~ Notwithstanding any provision
4 22 of section 97B.11 to the contrary, fifty percent of the cost
4 23 shall be paid by the employers of employees covered under this
4 24 section and fifty percent of the cost shall be paid by the
4 25 employees. The employer and employee contributions required
4 26 under this paragraph are in lieu of the shall be treated as
4 27 contributions paid under sections 97B.11 and 97B.11A.

4 28 Sec. 7. Section 97B.49F, subsection 2, paragraph c, Code
4 29 2005, is amended by adding the following new subparagraph:
4 30 NEW SUBPARAGRAPH. (4A) Notwithstanding any provisions of
4 31 this paragraph to the contrary, moneys shall not be credited
4 32 to the reserve account if the system is not fully funded or if
4 33 the system would not remain fully funded if moneys were
4 34 credited to the reserve account.

4 35 Sec. 8. Section 97B.49H, subsection 3, Code 2005, is
5 1 amended to read as follows:

5 2 3. The system shall annually determine the amount to be
5 3 credited to the supplemental accounts of active members. The
5 4 total amount credited to the supplemental accounts of all
5 5 active members shall not exceed the amount that the system
5 6 determines, in consultation with the system's actuary, can be
5 7 absorbed without significantly impacting the funded status of
5 8 the system. The amount to be credited shall be not be greater
5 9 than the amount calculated by multiplying the member's covered
5 10 wages for the applicable wage reporting period by the
5 11 supplemental rate. For purposes of this subsection, the
5 12 supplemental rate is the difference, if positive, between the
5 13 combined employee and employer statutory contribution rates in
5 14 effect under section 97B.11 and the normal cost rate of the

5 15 retirement system as determined by the system's actuary in the
5 16 most recent annual actuarial valuation of the retirement
5 17 system. The credits shall be made at least quarterly during
5 18 the calendar year following a determination that the
5 19 retirement system does not have an unfunded accrued liability.
5 20 The normal cost rate, calculated according to the actuarial
5 21 cost method used, is the percent of pay allocated to each year
5 22 of service that is necessary to fund projected benefits over
5 23 all members' service with the retirement system.

5 24 Sec. 9. Section 97B.50A, subsection 12, Code 2005, is
5 25 amended to read as follows:

5 26 12. ~~ADDITIONAL~~ CONTRIBUTIONS. The expenses incurred in
5 27 the administration of this section by the system shall be paid
5 28 through ~~additional~~ contributions as determined pursuant to
5 29 section 97B.49B, subsection 3, or section 97B.49C, subsection
5 30 3, as applicable.

5 31 Sec. 10. Section 97B.65, Code 2005, is amended to read as
5 32 follows:

5 33 97B.65 REVISION RIGHTS RESERVED == INCREASE OF BENEFITS ==
5 34 RATES OF CONTRIBUTION.

5 35 The right is reserved to the general assembly to alter,
6 1 amend, or repeal any provision of this chapter or any
6 2 application thereof to any person, provided, however, that to
6 3 the extent of the funds in the retirement system the amount of
6 4 benefits which at the time of any such alteration, amendment,
6 5 or repeal shall have accrued to any member of the retirement
6 6 system shall not be repudiated, provided further, however,
6 7 that the amount of benefits accrued on account of prior
6 8 service shall be adjusted to the extent of any unfunded
6 9 accrued liability then outstanding. ~~Any~~ An increase enacted
6 10 in the benefits or retirement allowance allowances provided
6 11 under this chapter shall not be enacted until after the
6 12 system's actuary determines that the system is fully funded
6 13 and will continue to be fully funded immediately following
6 14 enactment of the increase. However, an increase in the
6 15 benefits or retirement allowances provided under this chapter
6 16 may be enacted if the increase is accompanied by a change in
6 17 the employer and employee contribution rates necessary to
6 18 support such increase, all as determined in accordance with
6 19 sound actuarial principles and methods by the system's
6 20 actuary.

6 21 Sec. 11. PUBLIC RETIREMENT SYSTEMS COMMITTEE == PENSION
6 22 FLEXIBILITY REVIEW == REPORT.

6 23 1. The public retirement systems committee (committee)
6 24 established by section 97D.4 shall conduct a review of various
6 25 options to provide persons covered under the Iowa public
6 26 employees' retirement system (IPERS) additional flexibility in
6 27 plan design with features incorporating aspects of defined
6 28 contribution type vehicles. In conducting its review, the
6 29 committee shall consider previous studies and reports on
6 30 pension flexibility issues in Iowa and across the country, and
6 31 shall solicit input on pension flexibility issues from IPERS
6 32 staff, the IPERS benefits advisory committee, and other
6 33 interested parties.

6 34 2. The committee's review of pension flexibility issues
6 35 shall consider, among other ideas, the following:

7 1 a. Ways in which IPERS can assist employers in expanding
7 2 existing supplemental plans offered by public employers.

7 3 b. Ways in which IPERS could offer its own defined
7 4 contribution type supplementary plan vehicle to complement its
7 5 core defined benefit plan.

7 6 c. Ways in which IPERS could provide a cost of living or
7 7 favorable experience dividend benefit to members through
7 8 either defined contribution or alternative defined benefit
7 9 type plans.

7 10 d. Various hybrid plan designs incorporating features of
7 11 both defined benefit and defined contribution plan vehicles,
7 12 including, but not limited to, an integrated defined benefit
7 13 and defined contribution plan, a floor=offset plan, or a
7 14 pension equity plan.

7 15 3. The committee shall submit a report to the general
7 16 assembly by October 1, 2007, which report shall contain, in
7 17 addition to any other findings and recommendations concerning
7 18 public retirement systems in Iowa, its findings and
7 19 recommendations concerning its review of pension flexibility
7 20 issues, including any proposal or proposals regarding adding
7 21 additional flexibility in IPERS' plan design for the benefit
7 22 of IPERS covered employees and employers.

7 23 DIVISION II

7 24 JUDICIAL RETIREMENT SYSTEM

7 25 Sec. 12. Section 602.9104, Code 2005, is amended to read

7 26 as follows:
7 27 602.9104 DEDUCTIONS FROM JUDGES' SALARIES == CONTRIBUTIONS
7 28 BY STATE.
7 29 1. a. A judge to whom this article applies shall be paid
7 30 an amount equal to ~~ninety-five percent~~ of the basic salary of
7 31 the judge as set by the general assembly. ~~An reduced by an~~
7 32 amount equal to five percent of the basic salary of the judge
7 33 as set by the general assembly is designated as the judge's
7 34 required contribution to the judicial retirement fund, and,
7 35 The amount designated as the judge's required contribution
8 1 shall be paid by the state in the manner provided in
8 2 subsection 2.
8 3 b. The state shall contribute annually to the judicial
8 4 retirement fund an amount equal to the state's required
8 5 contribution for all judges covered under this article. The
8 6 state's required contribution shall be appropriated directly
8 7 to the judicial retirement fund by the general assembly.
8 8 2. The amount designated in ~~subsection 1~~ as the judge's
8 9 required contribution to the judicial retirement fund shall be
8 10 paid by the department of administrative services from the
8 11 general fund of the state to the court administrator for
8 12 deposit with the treasurer of state to the credit of the
8 13 judicial retirement fund. Moneys in the fund are appropriated
8 14 for the payment of annuities, refunds, and allowances provided
8 15 by this article, except that the amount of the appropriations
8 16 affecting payment of annuities, refunds, and allowances to
8 17 judges of the municipal and superior court is limited to that
8 18 part of the fund accumulated for their benefit as provided in
8 19 this article. The corpus and income of the fund shall be used
8 20 only for the exclusive benefit of the judges covered under
8 21 this article, their survivors, or an alternate payee who is
8 22 assigned benefits pursuant to a domestic relations order.
8 23 3. A judge covered under this article is deemed to consent
8 24 to the reduction in basic salary as provided in subsection 1.
8 25 4. ~~a.~~ As used in this ~~subsection~~ section, unless the
8 26 context otherwise requires:
8 27 (1) a. "Actuarial valuation" means an actuarial valuation
8 28 of the judicial retirement system or an annual actuarial
8 29 update of an actuarial valuation, as required pursuant to
8 30 section 602.9116.
8 31 (2) b. "Fully funded status" means that the most recent
8 32 actuarial valuation reflects that, using the projected unit
8 33 credit method in accordance with generally recognized and
8 34 accepted actuarial principles and practices set forth by the
8 35 American academy of actuaries, the funded status of the system
9 1 is at least ~~one hundred~~ ninety percent, based upon the
9 2 benefits provided for judges through the judicial retirement
9 3 system as of July 1, 2006.
9 4 c. "Judge's required contribution" means an amount equal
9 5 to the basic salary of the judge multiplied by the following
9 6 applicable percentage:
9 7 (1) For the fiscal year beginning July 1, 2006, and for
9 8 each subsequent fiscal year until the system attains fully
9 9 funded status, six percent multiplied by a fraction equal to
9 10 the actual percentage rate contributed by the state for that
9 11 fiscal year divided by twenty=three and seven=tenths percent.
9 12 (2) Commencing with the first fiscal year in which the
9 13 system attains fully funded status, and for each subsequent
9 14 fiscal year, the percentage rate equal to fifty percent of the
9 15 required contribution rate.
9 16 (3) d. "Required contribution rate" means that percentage
9 17 of the basic salary of all judges covered under this article
9 18 which, in addition to the judge's contribution established in
9 19 subsection 1, the actuary of the system determines is
9 20 necessary, using the projected unit credit method in
9 21 accordance with generally recognized and accepted actuarial
9 22 principles and practices set forth by the American academy of
9 23 actuaries, to maintain fully funded status amortize the
9 24 unfunded actuarial liability of the judicial retirement system
9 25 within twenty years.
9 26 e. "State's required contribution" means an amount equal
9 27 to the basic salary of all judges covered under this article
9 28 multiplied by the following applicable percentage:
9 29 (1) For the fiscal year beginning July 1, 2006, and for
9 30 each subsequent fiscal year until the system attains fully
9 31 funded status, twenty=three and seven=tenths percent.
9 32 (2) Commencing with the first fiscal year in which the
9 33 system attains fully funded status, and for each subsequent
9 34 fiscal year, the percentage rate equal to fifty percent of the
9 35 required contribution rate.
10 1 b. Effective with the fiscal year commencing July 1, 1994,

~~10 2 and for each subsequent fiscal year until the system attains~~
~~10 3 fully funded status, based upon the benefits provided for~~
~~10 4 judges through the judicial retirement system as of July 1,~~
~~10 5 2001, the state shall contribute annually to the judicial~~
~~10 6 retirement fund an amount equal to at least twenty-three and~~
~~10 7 seven-tenths percent of the basic salary of all judges covered~~
~~10 8 under this article. Commencing with the first fiscal year in~~
~~10 9 which the system attains fully funded status, based upon the~~
~~10 10 benefits provided for judges through the judicial retirement~~
~~10 11 system as of July 1, 2001, and for each subsequent fiscal~~
~~10 12 year, the state shall contribute to the judicial retirement~~
~~10 13 fund the required contribution rate. The state's contribution~~
~~10 14 shall be appropriated directly to the judicial retirement~~
~~10 15 fund.~~

10 16 Sec. 13. Section 602.9106, Code 2005, is amended to read
10 17 as follows:

10 18 602.9106 RETIREMENT.

10 19 Any person who shall have become separated from service as
10 20 a judge of any of the courts included in this article and who
10 21 has had an aggregate of at least ~~six~~ four years of service as
10 22 a judge of one or more of such courts and shall have attained
10 23 the age of sixty-five years or who has had ~~twenty-five~~ twenty
10 24 years of consecutive service as a judge of one or more of said
10 25 courts ~~and shall have attained the age of fifty years~~, and who
10 26 shall have otherwise qualified as provided in this article,
10 27 shall be entitled to an annuity as hereinafter provided.

10 28 Sec. 14. Section 602.9107, subsection 1, paragraph a, Code
10 29 2005, is amended to read as follows:

10 30 a. The annual annuity of a judge under this system is an
10 31 amount equal to three ~~and one-fourth~~ percent of the judge's
10 32 average annual basic salary for the judge's highest three
10 33 years as a judge of one or more of the courts included in this
10 34 article, multiplied by the judge's years of service as a judge
10 35 of one or more of the courts for which contributions were made
11 1 to the system. However, an annual annuity shall not exceed an
11 2 amount equal to a specified percentage of the highest basic
11 3 annual salary which the judge is receiving or had received as
11 4 of the time the judge became separated from service.

11 5 Forfeitures shall not be used to increase the annuities a
11 6 judge or survivor would otherwise receive under the system.

11 7 Sec. 15. Section 602.9107, subsection 1, paragraph b,
11 8 subparagraph (4), Code 2005, is amended to read as follows:

11 9 (4) For judges who retire and receive an annuity on or
11 10 after July 1, 2001, ~~but before July 1, 2006~~, the specified
11 11 percentage shall be sixty percent.

11 12 Sec. 16. Section 602.9107, subsection 1, paragraph b, Code
11 13 2005, is amended by adding the following new subparagraph:

11 14 NEW SUBPARAGRAPH. (5) For judges who retire and receive
11 15 an annuity on or after July 1, 2006, the specified percentage
11 16 shall be sixty-five percent.

11 17 Sec. 17. Section 602.9107C, subsection 1, Code 2005, is
11 18 amended to read as follows:

11 19 1. A judge under this system who has at least ~~six~~ four
11 20 years of service as a judge of any of the courts included in
11 21 this article and who was a member of the Iowa public
11 22 employees' retirement system as provided in chapter 97B, but
11 23 who was not retired under that system, upon submitting
11 24 verification of membership and service in the Iowa public
11 25 employees' retirement system to the court administrator,
11 26 including proof that the judge has no further claim upon a
11 27 retirement benefit from that public system, may make
11 28 contributions as provided by this section to the system either
11 29 for the entire period of service in the other public system,
11 30 or for partial service in the other public system in
11 31 increments of one or more calendar quarters, and receive
11 32 credit for that service under the system.

11 33 Sec. 18. Section 602.9108, Code 2005, is amended to read
11 34 as follows:

11 35 602.9108 INDIVIDUAL ACCOUNTS == REFUNDING.

12 1 The amount designated as the judge's contribution to the
12 2 judicial retirement fund in section 602.9104, ~~subsection 1,~~
12 3 and all amounts paid into the fund by a judge shall be
12 4 credited to the individual account of the judge. If a judge
12 5 covered under this article becomes separated from service as a
12 6 judge before the judge completes an aggregate of ~~six~~ four
12 7 years of service as a judge of one or more of the courts, the
12 8 total amount in the judge's individual account shall be
12 9 returned to the judge or the judge's legal representatives
12 10 within one year of the separation. If a judge, who is covered
12 11 under this article and who has completed an aggregate of ~~six~~
12 12 four years or more of service as a judge of one or more of the

12 13 courts, dies before retirement, without a survivor, the total
12 14 amount in the judge's individual account shall be paid in one
12 15 sum to the judge's legal representatives within one year of
12 16 the judge's death. If an annuitant under this section dies
12 17 without a survivor, and without having received in annuities
12 18 an amount equal to the total amount in the judge's individual
12 19 account at the time of separation from service, the amount
12 20 remaining to the annuitant's credit shall be paid in one sum
12 21 to the annuitant's legal representatives within one year of
12 22 the annuitant's death.

12 23 Sec. 19. Section 602.9112, Code 2005, is amended to read
12 24 as follows:

12 25 602.9112 VOLUNTARY RETIREMENT FOR DISABILITY.

12 26 Any judge of the supreme, district or municipal court,
12 27 including a district associate judge, or a judge of the court
12 28 of appeals, who shall have served as a judge of one or more of
12 29 such courts for a period of ~~six~~ four years in the aggregate
12 30 and who believes the judge has become permanently
12 31 incapacitated, physically or mentally, to perform the duties
12 32 of the judge's office may personally or by the judge's next
12 33 friend or guardian file with the court administrator a written
12 34 application for retirement. The application shall be filed in
12 35 duplicate and accompanied by an affidavit as to the duration
13 1 and particulars of the judge's service and the nature of the
13 2 judge's incapacity. The court administrator shall forthwith
13 3 transmit one copy of the application and affidavit to the
13 4 chief justice who shall request the attorney general in
13 5 writing to cause an investigation to be made relative to the
13 6 claimed incapacity and report back the results thereof in
13 7 writing. If the chief justice finds from the report of the
13 8 attorney general that the applicant is permanently
13 9 incapacitated, physically or mentally, to perform the duties
13 10 of the applicant's office the chief justice shall by
13 11 endorsement thereon declare the applicant retired, and the
13 12 office vacant, and shall file the report in the office of the
13 13 court administrator, and a copy in the office of the secretary
13 14 of state. From the date of such filing the applicant shall be
13 15 deemed retired from the applicant's office and entitled to the
13 16 benefits of this article to the same extent as if the
13 17 applicant had retired under the provisions of section
13 18 602.9106.

13 19 Sec. 20. Section 602.9115A, unnumbered paragraphs 1 and 3,
13 20 Code 2005, are amended to read as follows:

13 21 In lieu of the annuities and refunds provided for judges
13 22 and judges' survivors under sections 602.9107, ~~602.9107A,~~
13 23 602.9108, 602.9115, 602.9204, 602.9208, and 602.9209, judges
13 24 may elect to receive an optional retirement annuity during the
13 25 judge's lifetime and have the optional retirement annuity, or
13 26 a designated fraction of the optional retirement annuity,
13 27 continued and paid to the judge's survivor after the judge's
13 28 death and during the lifetime of the survivor.

13 29 The optional retirement annuity shall be the actuarial
13 30 equivalent of the amounts of the annuities payable to judges
13 31 and survivors under sections 602.9107, ~~602.9107A,~~ 602.9115,
13 32 602.9204, 602.9208, and 602.9209. The actuarial equivalent
13 33 shall be based on the mortality and interest assumptions set
13 34 out in section 602.9107, subsection 3.

13 35 Sec. 21. Section 602.9116, subsection 1, Code 2005, is
14 1 amended to read as follows:

14 2 1. The court administrator shall cause an actuarial
14 3 valuation to be made of the assets and liabilities of the
14 4 judicial retirement fund at least once every four years
14 5 commencing with the fiscal year beginning July 1, 1981. For
14 6 each fiscal year in which an actuarial valuation is not
14 7 conducted, the court administrator shall cause an annual
14 8 actuarial update to be prepared for the purpose of determining
14 9 the adequacy of the contribution rates specified in section
14 10 ~~602.9104, subsection 4.~~ The court administrator shall adopt
14 11 mortality tables and other necessary factors for use in the
14 12 actuarial calculations required for the valuation upon the
14 13 recommendation of the actuary. Following the actuarial
14 14 valuation or annual actuarial update, the court administrator
14 15 shall determine the condition of the system and shall report
14 16 its findings and recommendations to the general assembly.

14 17 Sec. 22. Section 602.9203, subsection 2, paragraph b, Code
14 18 2005, is amended to read as follows:

14 19 b. Meets the minimum requirements for entitlement to an
14 20 annuity as specified in section 602.9106. However, a judge
14 21 who elects to retire prior to attaining the age of sixty-five
14 22 and who has not had ~~twenty-five~~ twenty years of consecutive
14 23 service, may serve as a senior judge, but shall not be paid an

14 24 annuity pursuant to section 602.9204 until attaining age
14 25 sixty-five.
14 26 Sec. 23. Section 602.9204, subsection 1, Code 2005, is
14 27 amended to read as follows:
14 28 1. A judge who retires on or after July 1, 1994, and who
14 29 is appointed a senior judge under section 602.9203 shall be
14 30 paid a salary as determined by the general assembly. A senior
14 31 judge or retired senior judge shall be paid an annuity under
14 32 the judicial retirement system in the manner provided in
14 33 section 602.9109, but computed under this section in lieu of
14 34 section 602.9107, as follows: The annuity paid to a senior
14 35 judge or retired senior judge shall be an amount equal to
15 1 ~~three percent the applicable percentage multiplier~~ of the
15 2 basic senior judge salary, multiplied by the judge's years of
15 3 service prior to retirement as a judge of one or more of the
15 4 courts included under this article, for which contributions
15 5 were made to the system, except the annuity of the senior
15 6 judge or retired senior judge shall not exceed an amount equal
15 7 to the applicable specified percentage of the basic senior
15 8 judge salary used in calculating the annuity. However,
15 9 following the twelve-month period during which the senior
15 10 judge or retired senior judge attains seventy-eight years of
15 11 age, the annuity paid to the person shall be an amount equal
15 12 to ~~three percent the applicable percentage multiplier~~ of the
15 13 basic senior judge salary cap, multiplied by the judge's years
15 14 of service prior to retirement as a judge of one or more of
15 15 the courts included under this article, for which
15 16 contributions were made to the system, except that the annuity
15 17 shall not exceed an amount equal to the applicable specified
15 18 percentage of the basic senior judge salary cap. A senior
15 19 judge or retired senior judge shall not receive benefits
15 20 calculated using a basic senior judge salary established after
15 21 the twelve-month period in which the senior judge or retired
15 22 senior judge attains seventy-eight years of age. The state
15 23 shall provide, regardless of age, to an active senior judge or
15 24 a senior judge with six years of service as a senior judge and
15 25 to the judge's spouse, and pay for medical insurance until the
15 26 judge attains the age of seventy-eight years.

15 27 Sec. 24. Section 602.9204, subsection 2, Code 2005, is
15 28 amended by adding the following new paragraph:

15 29 NEW PARAGRAPH. oa. "Applicable percentage multiplier"
15 30 means as follows:

15 31 (1) For a senior judge or retired senior judge who retired
15 32 as a judge and received an annuity prior to July 1, 2006,
15 33 three percent.

15 34 (2) For a senior judge or a retired senior judge who
15 35 retired as a judge and received an annuity on or after July 1,
16 1 2006, three and one-fourth percent.

16 2 Sec. 25. Section 602.9107A, Code 2005, is repealed.

16 3
16 4
16 5
16 6
16 7
16 8
16 9

CHRISTOPHER C. RANTS
Speaker of the House

16 10
16 11
16 12
16 13

JEFFREY M. LAMBERTI
President of the Senate

16 14 I hereby certify that this bill originated in the House and
16 15 is known as House File 729, Eighty-first General Assembly.

16 16
16 17

16 18
16 19
16 20

MARGARET THOMSON
Chief Clerk of the House

16 21 Approved _____, 2006

16 22
16 23
16 24
16 25
16 26

THOMAS J. VILSACK
Governor